



Revenue Limit Equalization



Proposal:

- ***Provides \$300 Million to Bring All District Revenue Limits Closer to the Statewide Target (90th percentile).***

Using the formula proposed by the administration, this would leave a cost of approximately \$150 million to fully equalize all districts.

- ***Does Not Address Many of the Existing Inequities in General Purpose Funding.*** Proposal only equalizes base revenue limits—not add-on programs. Disparities among districts would continue even after the administration's equalization targets were reached.



LAO Recommendation:

- ***Provide \$200 Million for Revenue Limit Equalization and Redirect \$100 Million to Equalize Funding in Other Programs.*** We propose moving towards a more transparent and equal overall school funding system—\$200 million for revenue limits, \$150 to 250 million for Economic Impact Aid, and \$150 million for special education.
- ***Consolidate Add-Ons Into Base Revenue Limits, Then Equalize.*** Revise current revenue limit formula by folding the following four add-on programs into the base grant. This would allow the Legislature to equalize the amount of general purpose funds districts actually receive, not just the amount represented by the base revenue limit.
 - Meals for Needy Pupils.
 - SB 813 Incentive Programs.
 - Unemployment Insurance.
 - PERS Reduction.